

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:
Redfield Post Office
Redfield, New York

Docket No. A2011-86

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 17, 2011)

On September 23, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked September 20, 2011, from postal customers Redfield Citizens Committee, Kathleen M. Gallo, Martha A. Harvey, and Tanya M. Yerdon ("Petitioners") objecting to the discontinuance of the Post Office at Redfield, New York. On September 28, 2011, the Commission issued Order No. 878, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission received no additional written communications from customers of the Redfield Post Office. On October 26, 2011, Petitioners filed a Form 61 in support of the petition. In accordance with Order No. 878, the administrative record was filed with the Commission on October 11, 2011.

The appeal and Participant Statement raise three main issues: (1) impact on effective and regular postal services to the community; (2) the effect of the closing on the community; and (3) economic savings. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission

precedent,¹ the Postal Service gave consideration to other factors, including the impact upon Postal Service employees. Accordingly, the determination to discontinue the Redfield Post Office should be affirmed.

Background

The Final Determination To Close the Redfield, NY Post Office and Extend Service by Rural Route Service, as well as the administrative record, indicate that the Redfield, NY Post Office provides EAS-11 level service and lobby hours from 08:30 to 12:30 and 14:30 to 16:30 Monday through Friday, and 09:00 to 11:00 on Saturday, to 77 Post Office Box customers and 173 rural delivery customers. Item No. 47, Final Determination to Close the Redfield, NY Post Office and Extend Service by Rural Route Service ("FD"), at 2; Item No. 42 (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The Redfield Post Office has one (1) permit mailer and no postage meter customers. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal to Close the Redfield, NY Post Office and Extend Service by Rural Route Service (Revised) ("Proposal"), at 2, 11. The Postmaster of the Redfield Post Office retired on February 26, 2004, and an employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, if the office has a noncareer postmaster relief (PMR), he or she may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility.³ The average number of daily retail window transactions at the Redfield

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item No. ____."

³ Item No. 47, FD, at 10; Item No. 41, Proposal, at 11.

Post Office is fourteen (14), accounting for fifteen (15) minutes of retail workload daily.

Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

Furthermore, the revenue figures for the Redfield Post Office show a clear downward trend: \$28,476.00 (74 revenue units) in FY 2008; \$26,051.00 (68 revenue units) in FY 2009; and \$23,930.00 (62 revenue units) in FY 2010.⁴

Upon implementation of the final determination, delivery and retail services will be provided by the Williamstown Post Office, an EAS-16 level office located eight miles away. Williamstown has window service hours similar to those at Redfield, only longer: 08:30 to 11:30 and 13:00 to 16:30 Monday through Friday, and 09:30 to 11:00 on Saturday. Williamstown also has 92 Post Office Boxes available. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

The Postal Service followed proper procedures leading to the posting of the final determination. All issues raised by the customers of the Redfield Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the proposal and final determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Redfield Post Office. Questionnaires were also available over the counter for retail customers at Redfield. Item No. 47, FD, at 2; Item No. 41, Proposal, at 2; Item No. 20, Questionnaire Instruction Letter to OIC/Postmaster at Redfield Post Office, at 1. A letter from the Manager of Post Office Operations, Albany, NY, was also made available to postal customers, which advised customers

⁴ Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

that the Postal Service was evaluating whether the continued operation of the Redfield Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services available at the Williamstown Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Cover letter, questionnaire, and enclosures ("Letter to Customer"), at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.

In addition, representatives from the Postal Service were available at the Redfield Post Office on May 16, 2011, to answer questions and provide information (24 people attended the meeting). Item No. 47, FD, at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster, at 1-2; Item No. 25, Community Meeting Analysis, at 1-2; Item No. 41, Proposal, at 2. Customers received formal notice of the proposal and final determination through postings at nearby facilities. The proposal was posted with an invitation for public comment at the Redfield and the Williamstown Post Offices from June 3, 2011 through August 4, 2011. Item No. 47, FD at 2; Item No. 31, Instructions to Postmaster/OIC to Post Proposal, at 1; Item No. 32, Invitation for Comments, at 1; Item No. 33, Original Proposal, at 1; Item No. 34, Optional Comment Form, at 1; Item No. 35, Instructions for Postmaster/OIC to Remove Proposal, at 1; Item No. 36, Round-Date Stamped Proposal, at 2-5; Item No. 37, Notice of Taking Proposal and Comments Under Internal Consideration, at 1. The final determination was posted at the same two post offices starting on August 23, 2011, as confirmed by the round-

dated final determination cover sheets that appear in the administrative record. Item No. 47, FD, at 1; Item No. 48, Letter of Instructions Regarding Posting of the Redfield Post Office Final Determination, at 1; Item No. 49, Round-Date Stamped Final Determination Cover Sheets, at 1-2.

In light of the postmaster vacancy, minimal workload, declining office revenue,⁵ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁶ minimal impact upon the community, and the expected financial savings,⁷ the Postal Service issued the final determination.⁸ Regular and effective postal services will continue to be provided to the Redfield community in a cost-effective manner upon implementation of the final determination. Item No. 47, FD, at 2-10.

As a preliminary matter, Petitioners, while not disputing the results of the workload analysis supporting the final determination, contend that the Postal Service should have analyzed the activity at the Redmond Post Office for longer than one month (February 2011), and argue that the number of window transactions and stamp sales increased in June 2011. Petition for Review ("PFR"), at ¶ 7. However, the survey the Postal Service conducted is just a snapshot at a point in time. Sometimes, it will reflect normal activity, and sometimes it may reflect conditions that may affect business traffic, such as extremes in weather conditions that may suppress the transaction figures, or a large gathering or event held in a less populated area that may increase the overall

⁵ See note 4 and accompanying text.

⁶ Item No. 47, FD, at 2-7; Item No. 41, Proposal, at 2-8.

⁷ Item No. 47, FD, at 7-9; Item No. 17, Cost Analysis, at 1-2; Item No. 42, Fact Sheet, at 1; Item No. 29, Proposal Checklist, at 2; Item No. 41, Proposal, at 11.

⁸ Item No. 47, FD, at 2-10.

average. In any event, the daily number of transactions is not the sole factor informing this determination; it is merely one of many facts considered. Furthermore, as detailed above, the annual revenue figures for the Redfield Post Office show a clear downward trend for the last three fiscal years. Therefore, the Postal Service assessed customer demand and usage on an annualized basis.

Each of the substantive issues relevant to the closing of the Redfield Post Office is addressed in the paragraphs that follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service carefully considered the effect of closing the Redfield Post Office on postal services provided to Redfield customers. The closing is premised upon providing regular and effective postal services to Redfield customers.

The Petitioners raise the issue of the effect on postal services of the Redfield Post Office's closing and request its retention. As detailed above, the Redfield Post Office has limited hours and an average of fourteen (14) daily window transactions, accounting for fifteen (15) minutes of retail workload daily. Item No. 41, Proposal, at 2; Item No. 10, Window Transaction Survey, at 1. Upon implementation of the final determination, delivery and retail services will be provided by rural route service under the administrative responsibility of the Williamstown Post Office, located eight (8) miles away. The window service hours of the Williamstown Post Office are longer than the service hours of Redfield, from 08:30 to 11:30 and 13:00 to 16:30, Monday through

Friday, and 09:30 to 11:00 on Saturday. Item No. 47, FD, at 2. In addition, services provided at the Redfield Post Office will be available from the carrier, and most transactions do not require meeting the carrier at the mailbox. Item No. 47, FD, at 2-3, 10. Further, Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. Item No. 47, FD, at 3. Clearly, the Postal Service properly analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided in the absence of the Redfield Post Office, and properly concluded that the answer was affirmative.

Petitioners also argue that the Postal Service in deciding to extend service by rural route service failed to consider a presumed "additional carbon footprint left by motorized carrier services" associated with such carrier services' increased "use of fossil fuel." PFR, at ¶¶ 4-5. However, Petitioners' assertion that the service on the extended route may leave an "additional carbon footprint" is wholly speculative. In fact, any overall "carbon footprint" could actually decrease as a result of Redfield customers opting for carrier service and discontinuing their commutes to the Post Office for delivery and retail services. Petitioners also argue that an environmental assessment was not made in accordance with the National Environmental Policy Act (NEPA). PFR, at ¶ 5. However, under 39 CFR § 775.6(b)(15), a Post Office discontinuance action is categorically excluded from any requirement to complete a NEPA Environmental

Assessment. Thus, due to the categorical exclusion, no further NEPA analysis was needed.

Next, Petitioners argue that because rural route service has not yet been extended in accordance with the final determination, some current Post Office boxholders are "in limbo," may not have their mail delivered to their homes, and may be "forced" to go somewhere else to get their mail, which may impose a hardship in some instances. Participant Statement, at 5-6. Petitioners' argument is curious, because it is Petitioners' own appeal that is delaying the implementation of the Postal Service's determination to extend service by rural route service to those current Post Office boxholders at Redfield who may switch to carrier delivery. Further, carrier service can be beneficial to many who face special challenges, because they need not travel to the Post Office for service. Still further, delivery can be made to the homes of customers in hardship cases. Petitioners' argument was, accordingly, addressed in the record.

Petitioners also expressed a concern about mail security, particularly with respect to medications that may be left in their mailboxes. PFR, at ¶ 5; Participant Statement, at 6. With respect to the Petitioners' concerns about mail security, the Postal Service advised customers that they may place a lock on their mailboxes. Item No. 47, FD, at 6-7. The mailbox must have a slot large enough to accommodate the customer's normal daily volume. Item No. 47, FD, at 7. Moreover, the records of the Postal Inspection Service and the Oswego County Sheriff's Office do not reveal any reports of mail theft or vandalism in the area. Item No. 14, Inspection Service/local law enforcement vandalism reports, at 1-2. As such, there appears to be minimal risk that

the security of customers' mail will be impacted by the closing of the Redfield Post Office.

Lastly, Petitioners expressed a concern that there is no off road parking at the Williamstown Post Office from which the Postal Service proposes to provide delivery and retail services by rural route service. Participant Statement, at 6. However, the Postal Service conducted a site study at Williamstown in connection with the discontinuance proposal, which revealed that there is sufficient customer parking. Item No. 41, Proposal, at 6; Item No. 47, FD, at 6. Moreover, customers are not required to travel to Williamstown to receive mail or obtain retail services. Item No. 41, Proposal, at 2; Item No. 47, FD, at 2. Rather, most services can be provided by the carrier to a roadside mailbox located close to customers' residences. Item No. 41, Proposal, at 2; Item No. 47, FD, at 2.

Accordingly, for all the reasons stated above, the Postal Service has considered the impact of closing the Redfield Post Office upon the provision of postal services to Redfield customers and has properly concluded that all Redfield customers will continue to receive regular and effective service by rural route service.

Effect Upon the Redfield Community

The Postal Service is obligated to consider the effect of its decision to close the Redfield Post Office upon the Redfield community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices,

and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Redfield is an unincorporated rural community located in Oswego County. The Oswego County Sheriff's Department provides police protection. The community is administered politically by a Town Supervisor, with fire protection provided by the Redfield Fire Department. The community is comprised of retirees, self-employed persons, and those who commute to work at nearby communities and may work in local businesses. Businesses and organizations include: Redfield Christian Church, The Century House, NYSOTFA, Tughill Business Assoc. Inc., Cross Roads Inn & Cabins, Tughill BBQ, Redfield Square Hotel, Osceola Snowmobile Club, Casey's Country Store, Redfield Rigging, Town of Redfield, Redfield Snowmobile Club, Redfield Fire Co., PGS Specialties, Big Bear Campgrounds, Despatch Machine Co. Inc., Cedar Pines, Osceola Library, Reservoir Inn & Gas Mart, Spencer's Candy, Biospherix, Little John Contracting, The Gathering Place, and High Braes Refuge. Item No. 47, FD, at 7; Item No. 41, Proposal, at 8.

The questionnaires completed by Redfield customers indicate that, in general, many of the retirees, self-employed persons, commuters, and others who reside in Redfield travel to nearby communities for other supplies and services. See generally Item No. 47, FD, at 7; Item No. 22, Returned Customer Questionnaires and Postal Service response letters, at 2, 4, 6, 12, 14, 17, 19, 21, 23, 25, 27, 29, 32, 34, 36, 38, 40, 42, 44, 46, 50, 55, 57, 59, 61, 63, 65, 67, 69, 71, 73, and 75. The effect of the closing of the Redfield Post Office upon the Redfield community was considered extensively by

the Postal Service, as reflected in the administrative record. Item No. 23, Customer Questionnaire Analysis, at 2-3; Item No. 47, FD, at 7; Item No. 41, Proposal, at 8-10. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item No. 22, Returned Customer Questionnaires and USPS Response Letters, at 99; Item No. 23, Questionnaire Analysis, at 3; Item No. 41, Proposal, at 8. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the Redfield Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. Item No. 22, Returned Customer Questionnaires and USPS Response Letters, at 99; Item No. 23, Questionnaire Analysis, at 3; Item No. 41, Proposal, at 8. Communities generally require regular and effective postal services and these will continue to be provided to the Redfield community. In addition, the Postal Service has concluded that nonpostal services provided by the Redfield Post Office will be available at the Williamstown Post Office. Item No. 47, FD, at 7; Item No. 41, Proposal, at 8. Further, Government forms usually provided by the Post Office are also available by contacting local government agencies. Item No. 47, FD, at 7; Item No. 41, Proposal, at 8.

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Redfield Post Office on the community served by the Redfield Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Redfield Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Redfield Post Office are \$40,337.00. Item No. 47, FD, at 9; Item No. 41, Proposal, at 11.

In their Petition for Review, Petitioners argue that the Postal Service ignored the requirement of 39 U.S.C. § 101(b) that "[no] small post office shall be closed solely for operating at a deficit." PFR, at ¶ 4. Pursuant to 39 U.S.C. § 404(d)(2)(A)(iii), the Postal Service in determining whether to close a post office must consider whether such closing is consistent with the policy that the Postal Service provide "a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." In this case, the Postal Service analyzed the Redfield Post Office's workload and revenue. The consideration of an office's workload and revenue is not inconsistent with the policies of Title 39, because analysis of workload and revenue does not imply that a small Post Office is operating at a deficit. The Postal Service then analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided in the absence of the Post Office, and the answer was affirmative.

Petitioners challenge the Postal Service's economic savings estimate by arguing that the Postal Service in its cost analysis failed "to project additional mileage costs associated with the expanded route." PFR, at ¶ 4. However, Petitioners' argument is misplaced. Although 63 additional boxes are to be added to the Redfield Highway Contract Route, extending service to those boxes is not expected to increase the route's mileage. Item No. 17, Cost Analysis, at 1-2. Therefore, the Postal Service did consider potential "additional mileage costs" and properly determined that there were none.

Petitioners also argue that the savings achieved by closing rural post offices would reflect only a 0.7 percent cost savings relative to the Postal Service's entire operational budget. PFR, at ¶ 5. While this savings may seem insignificant to Petitioners, it is significant to the overall cost reduction focus of the Postal Service. The Postal Service is examining all opportunities to operate efficiently and provide effective and regular service. While the savings from any given initiative may appear small, these savings can make a difference when added together.

Petitioners further claim that by closing post offices, the Postal Service is "systematically removing an income variable of a Post Office from the [economic] equation." PFR, at ¶ 5. To the extent Petitioners are asserting that the Postal Service's economic savings calculation does not account for loss of revenue from Post Office Boxes, their concern would presumably only pertain to customers who switch from PO Box service to delivery by rural carrier. In any event, revenue from PO Box service is a relatively small proportion of an office's total revenue, and the impact of any such

conversions would be trivial in relation to total savings. See Docket No. N2011-1, USPS-T-1.

Lastly, Petitioners challenge the Postal Service's savings calculation by arguing that the Postmaster vacancy at Redfield resulted from the Postal Service's failure to timely appoint a Postmaster, not an inadequacy of the Post Office. PFR, at ¶ 6. Petitioners further assert that the savings calculation was incorrect because a career Postmaster salary was used in the calculation in lieu of the lower income earned by the OIC. Participant Statement, at 5. However, the vacancy at Redfield resulted from the retirement of a Postmaster, not any failure on the part of the Postal Service. Item No. 47, FD, at 2. Further, it was appropriate to use a career Postmaster's salary in the calculation, because the career position would have ultimately been filled if the Redfield Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Economic factors are one of several factors that the Postal Service considered in making its determination, and as noted throughout the administrative record, economic savings have been calculated as required for discontinuance studies, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact of the Redfield Post Office closing on postal employees is minimal. The Postmaster of the Redfield Post Office retired on February 26, 2004, and an employee was installed as the temporary OIC. Item No. 47, FD, at 2, 9; Item No. 41, Proposal, at 2, 11. Upon implementation of the final

determination, if the office has a noncareer PMR, he or she may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility. No other Postal Service employee will be adversely affected. Item No. 47, FD, at 9-10; Item No. 41, Proposal, at 11. Therefore, in making its determination, the Postal Service considered the effect of the closing on Postal Service employees, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Redfield Post Office on the provision of postal services and on the Redfield community, as well as the economic savings that would result from the proposed closing, the effect on Postal Service employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Redfield customers. Item No. 47, FD, at 7. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Therefore, the Postal Service's decision to close the Redfield Post Office should be affirmed.

The Postal Service respectfully requests that the determination to close the Redfield Post Office be affirmed.

Respectfully submitted,

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